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March 19, 2007

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OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone, Reservoir
A; ELM GROVE FIELD, Caddo and Bossier Parishes,
Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana:

1. To authorize Applicant to drill, designate and utilize seven (7) additional alternate unit wells for HOSS RA SU90, CV RA SU89 and for LCV RA SU91, at the locations shown on the attached plats.
2. To approve exceptions to the spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A), for any of the proposed wells the location of which, as shown on the attached plats, does not comply with the spacing provisions in said Orders.
3. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.
4. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B series of Orders.

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The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field was defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect any such data should call Mr. Adams at (225) 686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

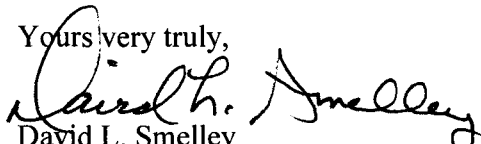
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the three (3) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,

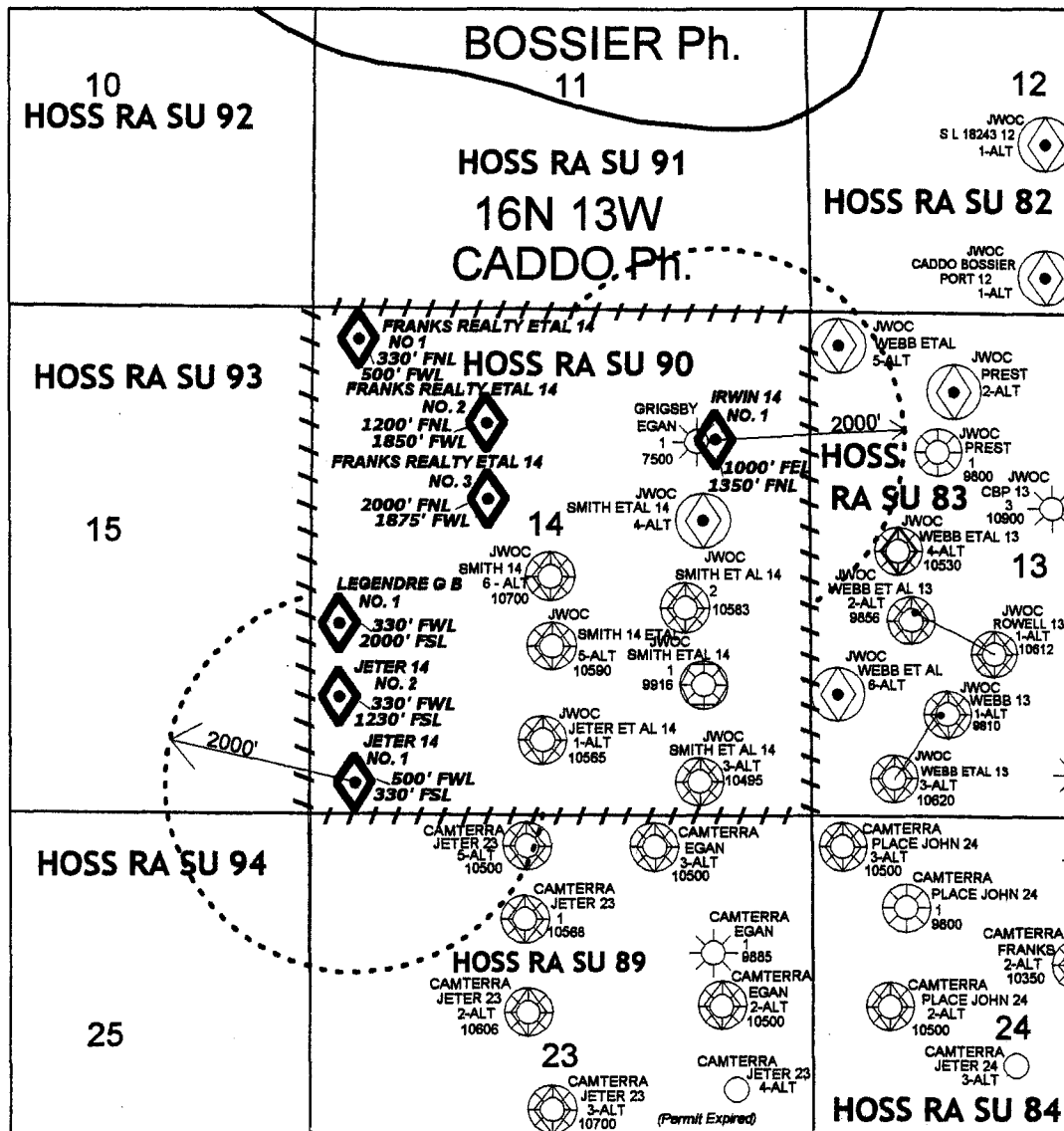

David L. Smelley
Attorney for J-W Operating Company

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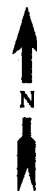
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Enclosures

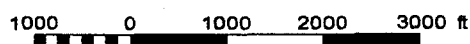
cc: Mr. Jim Broussard (w/encls.)
Mr. Jerry Wooten (w/encls.)
Mr. Michael Baca (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

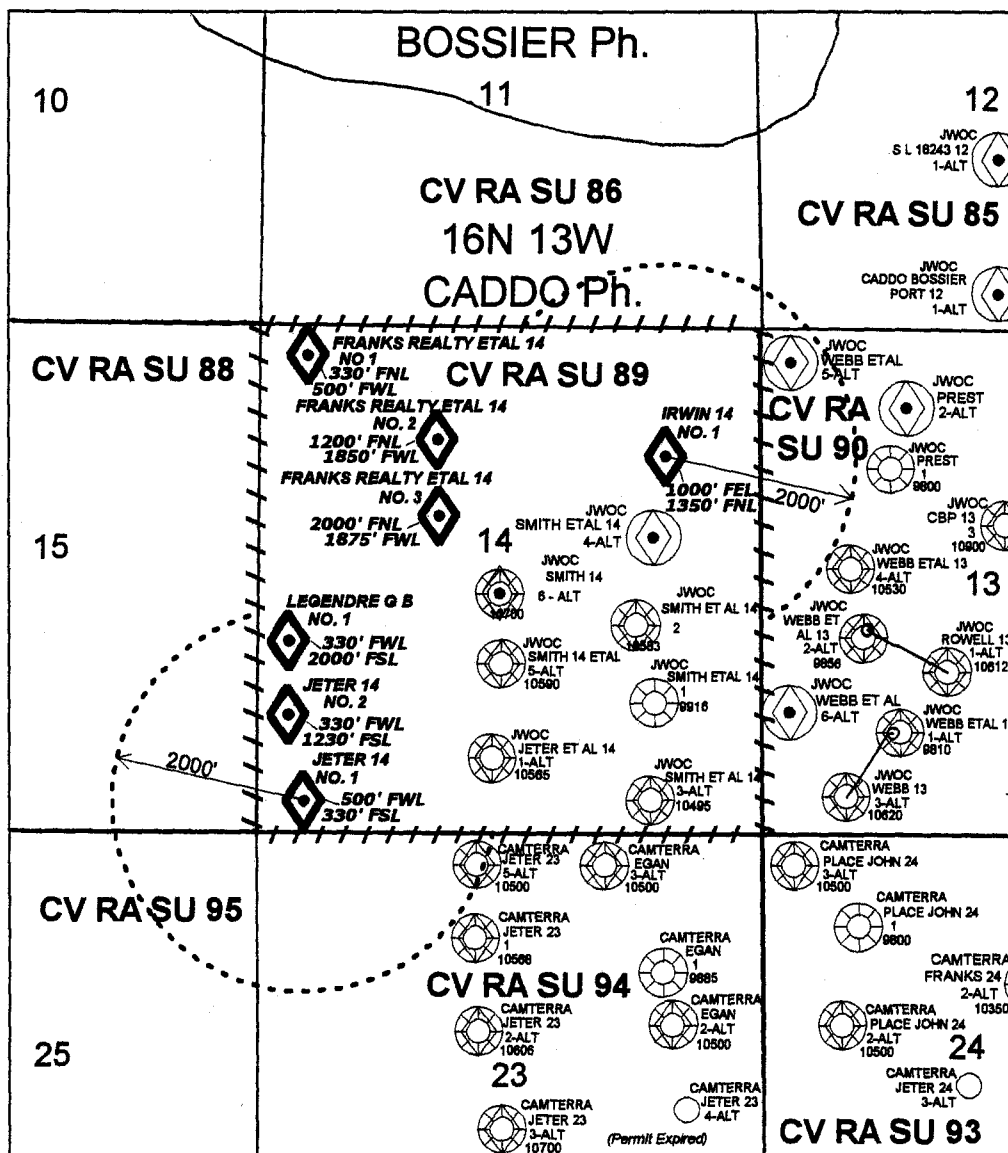


LEGEND	
—	Existing Units 361-A series
◊	Proposed Alternate Unit Well
⊙	Unit Well
⊗	Approved Alternate Unit Well
⊕	Substitute Unit Well
○	Posted Wells > 6000'



J-W OPERATING COMPANY		
ELM GROVE FIELD Bossier and Caddo Phs., La. UNIT PLAT - HOSSTON ZONE		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	07-??





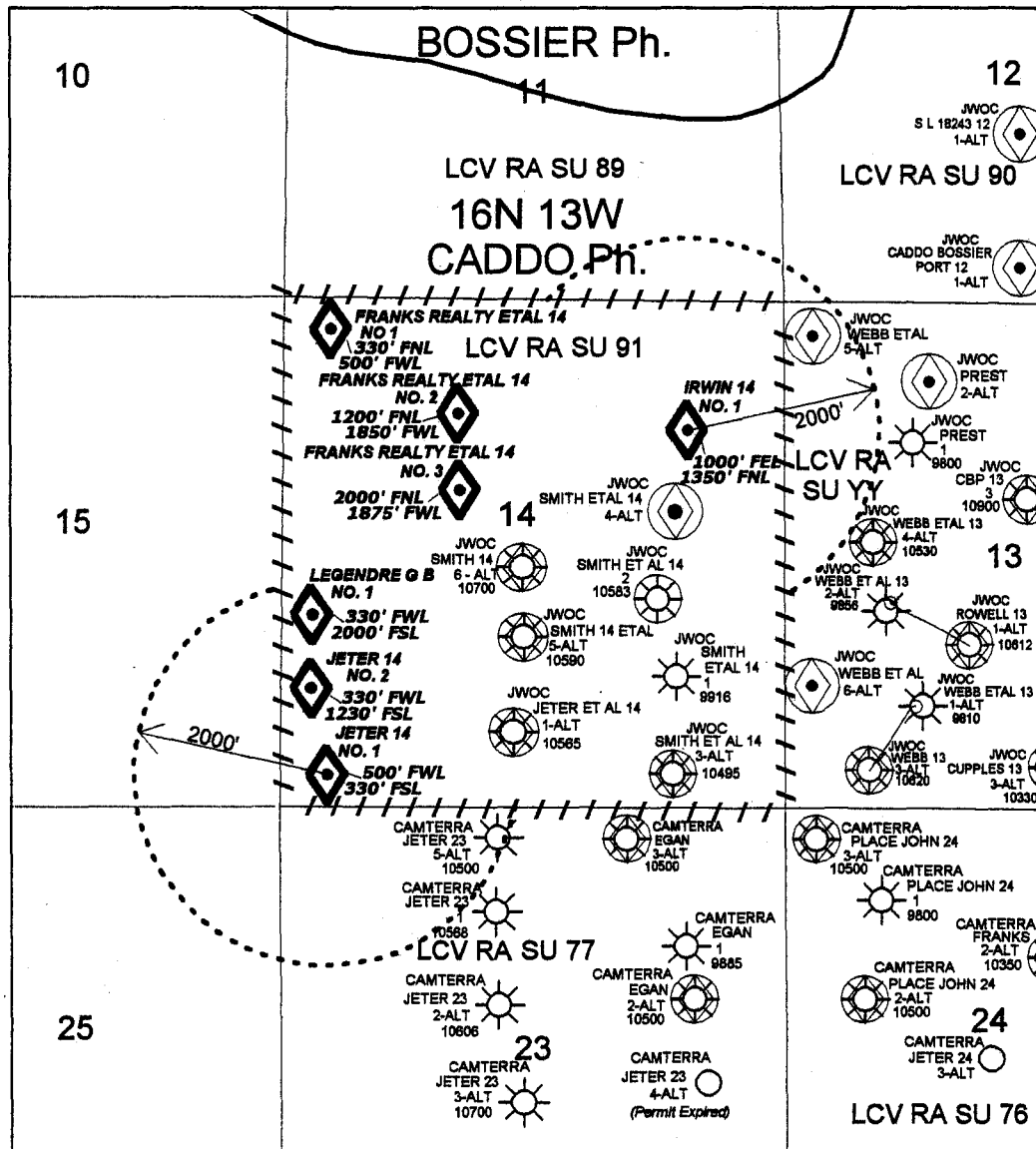
LEGEND

- Existing Units 361-B series
- ◆ Proposed Alternate Unit Well
- ⊙ Unit Well
- ⊕ Approved Alternate Unit Well
- ⊗ Substitute Unit Well
- Posted Wells > 8300'



J-W OPERATING COMPANY		
ELM GROVE FIELD Bossier & Caddo Phs., La. UNIT PLAT - COTTON VALLEY FORMATION		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	07-??





LEGEND	
	Existing Units 361-E series
	Proposed Alternate Unit Well
	Unit Well
	Approved Alternate Unit Well
Posted Wells > 8300'	



J-W OPERATING COMPANY		
ELM GROVE FIELD Bossier and Caddo Phs., La. UNIT PLAT - LWR. COTTON VALLEY ZONE		
DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1" = 2000'	07-77

